

### **REMARKS/ARGUMENTS**

The action by the Examiner of this application, together with the cited references, has been given careful consideration. Following such consideration, claims 1, 11, 22, and 32 have been amended to define more clearly the patentable invention Applicant believes is disclosed herein. Claims 4-10, 14-21, 25-31, and 35-39 have been unchanged by the present amendment paper. This amendment is presented according to "Revised Amendment Practice" (37 C.F.R. 1.121), effective July 30, 2003. It is respectfully requested that the Examiner reconsider the claims in their present form, together with the following comments, and allow the application.

As the Examiner well knows, the present invention is generally directed to an electronic commerce system for procuring goods/services subject to a chain of custody when transferred from a supplier to a user. A typical electronic procurement system confirms that an order has been placed by a buyer, that the order has been received by the seller, and that the buyer has been notified of the acceptance of the order by the seller and thus is obligated to the seller. A problem with such systems is that they do not continue to track goods after the goods have been shipped by the seller. The ability to track the goods is necessary when the goods to be shipped include controlled substances, such as narcotics, because the seller is obligated to track delivery and to obtain confirmation of the receipt of the goods from a person qualified to receive the goods and services. Therefore, typical electronic procurement systems are not sufficient for transactions involving controlled substances.

The present invention provides an electronic procurement system that keeps track of the seller's obligation of care when dealing with sensitive or restricted goods. A timer is initiated at the time the goods are shipped. If the timer expires before receipt of the goods is acknowledged by the buyer, the electronic procurement system provides an alarm to notify the seller of a potential diversion of goods and prevents the buyer from making further orders.

It is respectfully submitted that none of the cited references teaches, suggests or shows an electronic procurement system as presently set forth in the claims, or the advantages thereof.

Claims 1 and 11 have been amended to read as follows: "initiate a timer for a predetermined period of time within which to receive the confirmation of *receipt of the goods/services* corresponding to the notification, and when the timer expires, *alarm a potential instance of diversion or loss of goods/services* and prevent further orders from the user." Likewise, claims 22 and 32 have been amended to read, "initiating a timer for a predetermined period of time within which to receive the confirmation of receipt of the goods/services corresponding to the notification, and when the timer expires, alarm a potential instance of diversion or loss of goods/services and prevent further orders from the user". Thus, the claimed system includes a timer for the determination of whether a buyer has received goods or services.

The Examiner has rejected claims 1, 11, 22, and 32 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,260,024 to Shkedy in view of U.S. Patent No. 5,960,411 to Hartman et al. and U.S. Patent No. 6,341,353 to Herman et al.

The Applicant respectfully submits that neither the Shkedy reference nor the Hartman et al. reference teach, suggest, or show "a timer for a predetermined period of time within which to receive the confirmation of receipt of the goods/services corresponding to the notification" or "alarm a potential instance of diversion or loss of goods/services and prevent further orders from the user."

Referring now to the Hartman et al. reference, the time period established by Herman et al. within which a confirmation must be received does not relate to the delivery of products or services pursuant to an online contract but instead relates to the on-line contracting itself. That is, it relates to the establishment of the contract. A seller creates a transaction record, signs it electronically and the sends it to the buyer for verification and signature. The buyer must electronically sign and return its order (transaction record) for an "object" within a predetermined short period of time. This time is described as initially 30 seconds with an ability to automatically increment the time to up to three minutes to account for network problems. This period apparently prevents a buyer from holding the object hostage (column 22, line 20 to column 23, line 5). Thus, Herman et al. prevents the occurrence of an order if it is not timely consummated.

In contrast to the time period taught by Herman et al., the timer of the present invention does not prevent an existing order. It merely keeps track of the seller's obligation of

care when dealing with sensitive or restricted products to track delivery and obtain the confirmation of delivery from a person qualified to receive that delivery. Should delivery not be confirmed, remedial action may be taken. A key element of the present invention is the use of a time period within which to receive an electronic signed confirmation of delivery of a purchased good or service, primarily a physical product such as a restricted narcotic delivered to a hospital through a trusted delivery mechanism. At the time of invention, the online ordering of such products was not permitted because the loop had not been closed. No mechanism existed to track the delivery of products to trusted recipients so that multiple deliveries were not misdirected.

The Applicant respectfully submits that the prior art does not teach, suggest, or show a method or system where a secure procurement system authenticates that a user is entitled to purchase certain goods or services. The Applicant believes that these amendments to claims 1, 11, 22, and 32 distinguish the claimed invention from the prior art, and place the claims in condition for allowance.

It is respectfully submitted that claims 1, 11, 22, and 32 are now in condition for allowance. It is further respectfully submitted that claims 4-10, 13-21, 25-31, and 35-39, depend from claims 1, 11, 22 and 32 respectively, and are therefore also now in condition for allowance.

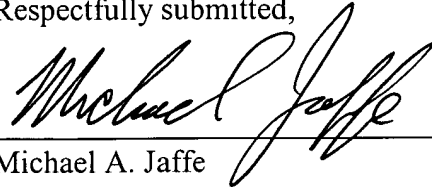
A telephone interview was conducted on August 13, 2004 between an associate of the undersigned, Tom McClure, Registration No. 54,302, and the Examiner. In that interview, the Examiner stated that the Walker et al. reference mentioned on page 4 of the first Office Action mailed on December 1, 2003, and on page 5 of the outstanding final Office Action was not intended to be a cited reference in the present patent application. The Examiner stated that the intended reference was U.S. Patent No. 6,260,024 to Shkedy. The Applicant notes that the Shkedy reference is cited on the USPTO form 892 included in the first Office Action. In the same telephone interview, the Examiner stated that U. S. Patent No. 5,638,519 to Haluska was mistakenly included with the cited references provided to the Applicant with the first Office Action and is not relevant to the present application. It is the Applicant's understanding that the Examiner believes neither the Walker et al. reference nor the Haluska reference are relevant to the present application.

The Applicant respectfully submits that the present amendment puts the present application in condition for allowance. However, if the Examiner believes there are any further

matters which need to be discussed in order put the present application in condition for allowance, the Examiner is invited to contact the undersigned.

If there are any fees necessitated by the foregoing communication, please charge such fees to our Deposit Account No. 50-0537, referencing our Docket No. SW7181US.

Respectfully submitted,



Michael A. Jaffe  
Registration No. 36,326

Date: October 12, 2004

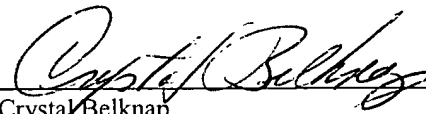
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**CERTIFICATE OF MAILING UNDER 37 C.F.R. §1.8**

I hereby certify that this correspondence (along with any paper referenced as being attached or enclosed) is being deposited on the below date with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Date: October 12, 2004

  
Name: Crystal Belknap